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RUEHBU/AMEMBASSY BUENOS AIRES 1586
RUEHCV/AMEMBASSY CARACAS 2171
RUEHLP/AMEMBASSY LA PAZ JUL LIMA 6284
RUEHQT/AMEMBASSY QUITO 2493
RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC
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C O N F I D E N T I A L SANTIAGO 000665

SENSITIVE
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TAGS: [PGOV](#) [SNAR](#) [KCRM](#) [CI](#)
SUBJECT: NORTHERN EXPOSURE: COCAINE TRAFFICKING ON THE RISE
IN CHILE

REF: SANTIAGO 521

Classified By: CDA Carol Urban for reasons 1.4 b/d

11. (C) SUMMARY: Law enforcement contacts in northern Chile report that cocaine trafficking from Bolivia to Chile has increased in the past six to eight months -- a development that some officials link to the departure of DEA agents from Bolivia. Chilean police complain that they lack sufficient resources to confront the problem, which is magnified by poor interagency coordination and a complete distrust of Bolivian counterparts. Chilean authorities recognize the threat posed by chemical precursors, which are highly susceptible to diversion for cocaine production in Bolivia. Chile's recent decision to focus on combating small-scale drug dealers will likely hamper efforts to disrupt major traffickers. END SUMMARY.

INCREASED DRUG TRAFFICKING FROM BOLIVIA RAISES CONCERNS

12. (C) During a recent trip to northern Chile, a region characterized by rough terrain and porous borders, law enforcement officials told Poloff that their number one priority is drugs, particularly the threat from Bolivian cocaine traffickers. Police, public prosecutors, and customs officials in the northern cities of Iquique, Antofagasta, and Calama reported that the drug situation in their regions has deteriorated over the past six to eight months, with notable increases in the frequency and quantity of smugglers transiting through Chile from Bolivia. The assistant public prosecutor in Calama, an isolated mining town approximately 30 miles from Bolivia, revealed that his office routinely deals with seizures of 20 kgs of cocaine a week compared to seizures of 60 kgs of cocaine a year when he first arrived in 12001. Investigative Police (PDI) contacts pointed to the departure of DEA from Bolivia as a turning point that marked the beginning of increased activity in northern Chile.

13. (SBU) Officials highlighted several trafficking trends, including an increase in the number of individual traffickers who swallow drugs and the continued use of small boats for maritime trafficking along Chile's long coast. Police in all three cities reported a direct connection between Chilean car

robberies and Bolivian drug trafficking. Vehicles, usually trucks or 4x4 SUVs, are stolen in Chile, transported across the porous border with Bolivia, and routinely exchanged for 6-8 kgs of cocaine. The cocaine is then smuggled back into Chile for distribution or exported overseas. According to Chilean officials, the Government of Bolivia regularly declares amnesty for vehicles lacking proper paperwork, which feeds demand for stolen vehicles.

¶4. (C) Contacts predicted that northern Chile will continue to be an attractive transit point for drugs destined for Santiago and overseas. Mauro Mercado, the chief of Antofagasta's PDI anti-narcotics unit, reported that a Bolivian informant told him "large, organized groups have reorganized in Bolivia and it's very easy to smuggle, there are no controls." Mercado confessed that he was especially worried about the impending expansion of Antofagasta's international airport. (NOTE: Antofagasta -- located on the Pacific coast and a major hub for mining and shipping -- has an international airport that will begin three weekly international flights to La Paz, Bolivia in August 2009. END NOTE.) He speculated that his unit would seize more than 500 kgs of cocaine in 2009 compared to 300 kgs seized in 2008, but refused to guess what amount of cocaine successfully transits his region.

LAW ENFORCEMENT EFFORTS FAIL TO KEEP PACE

¶5. (C) Chile has increased anti-narcotics efforts in the north, but officials complain that they still lack the resources needed to confront the problem. The PDI, in particular, suffers from a severe shortage of officers and equipment. In Iquique, home to a major free trade zone and a large international port, the PDI anti-narcotics unit consists of 23 officers, but they have requested 20 additional personnel to respond to increased demands. Working out of dilapidated offices and using officers' personal computers, the unit relies on telephone intercepts for most of its investigations. The PDI anti-narcotics unit in Calama has more than doubled in size since 2007 from seven to 17, but the unit only has two vehicles and no official phones -- officers must use personal cell phones to communicate.

¶6. (C) The Carabineros, Chile's uniformed police force, is better staffed and supplied, including the recent purchase of a plane based in Iquique. Their anti-narcotics efforts are focused on border enforcement at official crossings and known drug trafficking routes within Chile. Chile's Customs service prioritizes drug seizures during routine inspections at ports and border crossings but does not conduct investigations.

¶7. (C) Chile's law enforcement efforts are hampered by institutional rivalries and a lack of information sharing (septel). The PDI and Carabineros do not have any relationship with Bolivian law enforcement agencies and they repeatedly stated that Bolivian officials cannot be trusted. In Calama, representatives from the PDI, Carabineros, and Public Prosecutor's office told Poloff that the Ministry of Interior recently instructed law enforcement agencies to crack down on street dealers in a bid to enhance citizen security. Officials claimed that they will be able to increase operations against street dealers and continue complex investigations, but they did not explain how this would be accomplished given limited resources.

CHEMICAL PRECURSORS VIEWED AS NEW THREAT

¶8. (SBU) While officials agreed that Chile is primarily a transit and destination country for Bolivian cocaine, contacts in Iquique and Antofagasta are increasingly worried about the threat of chemical precursors. Northern Chile is home to large mining operations, and officials reported that sulfuric acid is likely being diverted from Chile to Bolivia

for use in cocaine production. Resources to confront this problem are especially limited, as Antofagasta is the only city that Poloff visited with a trained PDI unit dedicated to investigating chemical precursors. Erik Menay, the chief of PDI's anti-narcotics unit in Iquique, has requested additional personnel to form a chemical precursor group.

¶9. (SBU) Law enforcement officials in northern Chile have very little interaction with counterparts at the National Drug Control Council (CONACE), the organization charged with regulating companies that deal with chemical precursors. The PDI chemical precursor unit in Antofagasta reviews the list of registered companies that CONACE maintains. However, the PDI feels the list does not provide useful information in initiating new investigations and could be improved. The unit is looking to partner with the primary sulfuric acid supply company in the area to use GPS tracking devices on trucks to prevent diversions. The Public Prosecutor's office in Iquique said it had investigated three or four diversion cases but admitted a lack of expertise prevented them from fully pursuing the cases.

COMMENT

¶10. (C) Law enforcement authorities face a difficult challenge in northern Chile. Increased supply from Bolivia, a harsh environment, limited resources, no relations with Bolivian counterparts, and poor interagency coordination combine to make successful investigations rare events. Given

already limited resources, Post thinks that the Ministry of Interior's recent instructions to focus on street dealers will further weaken Chile's ability to disrupt major drug traffickers, despite law enforcement claims to the contrary. Chilean authorities recognize the threat posed by chemical precursors, but they lack the resources and expertise to strengthen enforcement. As a result, Post asks for renewed consideration of its action request for \$25,000 in additional INL funds (reftel) to support specialized chemical precursor training.

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